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ADMINISTRATIVE AND BUDGETARY MATTERS

Mercure satellite telecommunications system

Report of the Executive Director

Summary

At its seventeenth session, the Council was apprised of an offer from several European countries to provide UNEP with an advanced telecommunications system for generation and delivery of environmental data to UNEP's global participants. The Governing Council, by operative paragraph 7 of its decision 17/38, approved the Executive Director's proposal to finalize an agreement with the participants in the Mercure project. The agreement was signed and is currently being implemented. The present report elaborates on the particular improvements in telecommunications services to be attained by UNEP, the status of implementation of the system, the estimated budgetary implications for the future and the specific budgetary implications for 1996-1997.

Suggested action by the Governing Council

The Governing Council may wish to:

(a) Thank the donors for the generous contribution to the initial Mercure configuration that will facilitate the access of UNEP and its partners to services available through the emerging information highways, as well as allow UNEP better to fulfil its mandate for delivery of environmental data in a more timely, cost-effective and efficient manner;

(b) Thank the Government of Kenya for its willingness to cooperate with UNEP in the installation of this advanced system which will greatly enhance the timely exchange of environmental data and information on a worldwide basis;

(c) Encourage countries with environmental data and information assets of value for the monitoring and management of environmental resources to provide ease of access and delivery through this UNEP initiative;

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(d) Encourage the minimization of operations costs through efficient management by UNEP and through arrangements in host countries that recognize the value of this asset without charges for its utilization;

(e) Encourage the further expansion of this initial programme to new countries and users by seeking additional funding from other sources potentially available to the programme;

(f) Authorize the Executive Director to finance the recurrent costs required to manage and maintain the Mercure system in 1996-1997 by charging US $500,000 to the management and administrative support costs (MASC) budget (communications) and the remaining costs to projects of the Environment Fund.

UNEP telecommunications plan

1. On 25 November 1994, after extensive consultation within UNEP, with United Nations telecommunications services and with the Government of Kenya, the Executive Director of UNEP and the Director General of the European Space Agency (ESA) signed an agreement for UNEP to accept the donation of a satellite-based telecommunications system. The estimated value of the donation to UNEP is approximately US $12 million.

2. The system will consist of a set of 16 Intelsat-compatible earth stations to be deployed globally at sites agreed between UNEP and the countries hosting the stations. Of the earth stations, 8 would be capable of high capacity, sufficient to provide full telecommunications services, such as video conferencing, and 8 would be of a lower capacity limited to Internet, fax and e-mail services. Two of the high-capacity stations would be located in Switzerland in order to provide control operations for both east and west sectors, and two of the high-capacity stations would be located at UNEP headquarters to provide direct access east and west from Nairobi.

3. UNEP and ESA have reached agreement on specifications for the engineering design of the system. Contracts for development of the hardware are now being placed with industrial suppliers. In addition, an initiative to provide the necessary satellite traffic capacity through Intelsat has been undertaken by the Swiss Posts and Telecommunications Authority (PTT) on behalf of UNEP. It is anticipated that the Nairobi-Geneva link will be in operation no later than 1 April 1996 and that the total system will be in operation as of November 1996.

4. UNEP has undertaken discussions with Governments to determine their willingness to accept and operate a Mercure terminal within the country in response to UNEP's programmes for data exchange in particular regions. Priority consideration is being given to UNEP regional offices and major UNEP collaborating centres in the first instance. These discussions will lead to the identification of the actual sites by 1 August 1995.

5. In accordance with the agreement for the acceptance of Mercure, UNEP will be responsible for the recurrent costs of operating and maintaining the system for a period of 5 years. A breakdown of the costs to be incurred by UNEP on a full annual basis is:

Lease of Intelsat satellite capacity	$520,000
Operations by the Swiss PTT	$200,000
Host country technician charges	$420,000
Maintenance and spares	$120,000
Total costs to UNEP	$1,260,000

6. It should be noted that for 1996 only, Intelsat charges will be US $390,000 for 9 months. Additionally, host country technician charges are estimated at US $105,000 for 1996 and US $210,000 for 1997; also, there will be an estimated US $335,000 costs for earth stations' installation during the biennium. Maintenance and spares costs are estimated at US $20,000 only for both 1996 and 1997. In total, estimated recurrent costs in 1996-1997 will be US $1,975,000. Since cost savings will accrue to both the programmes under the management and administrative support costs (MASC) budget and those under the programme of work, it is proposed that US $500,000 of the 1996-1997 costs be charged to the MASC budget (communications) and the remainder to Fund activities. From 1998, costs are expected to revert to the schedule in paragraph 5 above.

7. It is anticipated that the above budgetary commitment will be offset through reductions in the requirement for telecommunications leased lines globally, through the more efficient use of e-mail systems instead of telephone and fax, and through the initiation of data and information delivery through the global Internet system, thereby reducing the cost of hard-copy delivery through postal and courier services. It is anticipated that cost savings will be made of US $4 million through use of Mercure over the biennium. Not all of these savings will be available in 1996-1997, however. Over the biennium as a whole, savings on communications costs are anticipated at the value of US $3,500,000. The net saving to UNEP will be in the region of US $1,525,000.

8. In conjunction with the acceptance of Mercure, UNEP has engaged in an overall planning process to develop its system design and implementation strategy for future years. This strategy envisions closer collaboration with the global Internet and leading organizations, such as the National Aeronautics and Space Administration (NASA) of the United States, the National Oceanic and Atmospheric Administration (NOAA) of the United States and ESA, in establishing the systems of the future. The services for browsing and accessing the data and information available throughout the world will be dramatically enhanced through advanced services such as organizational "gophers", the "worldwide web", etc. It is UNEP's intention to integrate its data and information resources to make them easily accessible for advanced scientific users as well as to continue its services to supply more general environmental information to users such as those using global bulletin boards. In addition, UNEP will be collaborating with other United Nations agencies to assure the compatibility of systems and the expanding utilization for the mutual needs of the organizations.

9. The combination of this technology for fast and efficient delivery of environmental data, in conjunction with the UNEP assets and assistance in environmental analysis, policy and management, represents a total response for capacity-building in developing countries. This new potential for worldwide assistance in environmental management on a day-to-day, minute-to-minute basis will revolutionize the ability of environment ministries and other interested parties throughout the world to access, analyse, and examine questions of environmental importance.